

RULES FOR EXPEDITED REVIEW OF CERTAIN LEASES
Adopted May 20, 1993

Pursuant to the provisions of La. R.S. 39:1410.60 (C), the State Bond Commission adopts the following rule:

SECTION 1. The provisions of this Rule on expedited review of certain leases shall be applicable to all leases that meet the criteria set forth in Section 2 and shall include financed leases as well as conventional leases that do not contain a non-appropriation clause or that do contain a anti-substitution clause. The provisions of this Rule are not intended and shall not in any way be interpreted as exempting from Bond Commission approval any form of lease that has traditionally been deemed to constitute debt.

SECTION 2. In order for a proposed lease agreement to be eligible for the expedited review process, all of the following criteria must be met and that fact must be certified in writing by an authorized agent of the governmental entity seeking approval under the expedited review process:

- A. The leased equipment must be specifically identified in the proposed lease agreement and the lease must be used to acquire movable property necessary to provide essential governmental services such as those related to safety, sanitation, road and highway construction and repair, health services, communication, education, and transportation.
- B. If the lease agreement transfers ownership of the leased property to the lessee at the end of the lease term or contains an option to purchase the leased property at a nominal price, the lease agreement must have been entered into in compliance with the public bid law.
- C. The governmental entity must have excess or sufficient revenues to cover annual debt service on the lease pursuant to the provisions of La. R.S. 33:2922.
- D. The total amount of the lease cannot exceed the greater of \$100,000 or 10% of the governmental entity's annual revenues.
- E. There must have been no default on any debt obligation within the previous five years.

SECTION 3. The governmental entity shall submit the following documents with the proposed lease and the request for approval under this rule:

- A. The Resolution of the governmental entity authorizing the lease.
- B. A copy of the lease agreement.
- C. A copy of the governmental entity's current budget, showing excess revenues pursuant to La. R.S. 33:2922.
- D. A completed summary of the lease on forms approved by the commission.
- E. A certification from the governmental entity in the form approved by the commission, attesting to compliance with all of the requirements of this rule.

SECTION 4. On an as needed basis the staff of the State Bond Commission shall mail to the commission members a notice of all leases submitted to the commission staff that meet the criteria for approval under the Rule, and that are scheduled for approval by the executive director, along with a copy of the summary of lease form for each lease. Each lease so submitted shall be approved by the executive director of the State Bond Commission ten days following the mailing of the notice unless a member of the commission, prior to approval of a lease by the executive director, requests that the lease be placed on the agenda at the next Bond Commission meeting.

If any member of the commission requests that a lease submitted to the staff under the provisions of this Rule be placed on the agenda, such lease shall be placed on the agenda for consideration at the next commission meeting in accordance with the commission's rules and regulations.

**CERTIFICATION OF COMPLIANCE WITH CRITERIA FOR
APPROVAL OF LEASES UNDER EXPEDITED PROCEDURE**

Name of Lessee: _____

Name of Lessor: _____

Equipment to be Leased: _____

Term of Lease: _____

Amount of Lease: _____

Interest Rate: _____

BEFORE ME, the undersigned authority, personally came and
appeared _____
who declared that he is the _____ for the Lessee, and does here certify that:

The proposed lease agreement is being entered into for the purpose of acquiring movable
property necessary to provide essential governmental services, more specifically the following:

If the lease agreement transfers ownership of the leased property to the Lessee at the end of
the lease term or contains an option to purchase the leased property at a nominal price, it has
been let in accordance with the public bid laws.

The Lessee has excess or sufficient revenues to cover annual debt service on the lease
pursuant to the provisions of La. R.S. 33:2922.

The total amount of the lease does not exceed the greater of \$100,000.00 or 10% of the
Lessee's annual revenues.

The Lessee has not been in default on any debt obligation within the previous five years.

The following documents are attached:

1. The Resolution of the Lessee authorizing the lease.
2. A copy of the lease agreement.
3. A copy of the Lessee's current year budget.

Lessee's Agent or Authorized Officer

Sworn to and subscribed before me, this _____ day of _____, 199____, at
_____, Louisiana.

NOTARY PUBLIC